

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

FIRST-CLASS MAIL PACKAGE SERVICE (FCPS)
SERVICE STANDARD CHANGES, 2021

Docket No. N2021-2

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HAGENSTEIN TO
INTERVENOR STEVE HUTKINS' INTERROGATORIES SH/USPS-T1-1 – 10.**
(July 28, 2021)

The United States Postal Service hereby responds to Intervenor Steve Hutkins' Interrogatories to United States Postal Service Witness Stephen B. Hagenstein, issued on July 21, 2021. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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SH/USPS-T-1-1. Please confirm that before the changes made on April 17, 2020, the average delivery time (calculated based on volumes and service standards, not actual performance) for First Class Package Services was approximately 2.79 days. If not confirmed, please explain and/or provide the correct number.

RESPONSE:

Confirmed that the average *expected* delivery time (calculated based on volumes and service standards, not actual performance) was approximately 2.79 days.

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SH/USPS-T-1-2. Please confirm that the revised service standards for First-Class Package Service that went into effect on April 17, 2020, added one day to the regular standards, so that the average delivery time (based on volumes and service standards) increased to approximately 3.79 days.¹ If not confirmed, please explain and/or provide the correct number.

RESPONSE:

Confirmed with respect to the average *expected* delivery time.

¹ USPS Industry Alert stating, "U.S. Postal Service Priority Mail products and First-Class packages may require more time to be delivered due to limited transportation availability as a result of the ongoing Coronavirus Disease (COVID-19) impacts to the United States.... First-Class Package Service (FCPS) two- and three-day service commitments will also be extended to three and four days respectively." Available at <https://postalpro.usps.com/node/8016>.

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SH/USPS-T-1-3. Please confirm that the revised service standards for First-Class Package Service that were implemented on April 17, 2020, are still in effect because the conditions that made the extension necessary (such as "limited transportation availability" due to the pandemic) continue to impact operations. If not confirmed, please explain.

RESPONSE:

Confirmed.

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SH/USPS-T-1-4. Please confirm that under the proposed changes in service standards, average delivery time (based on volumes and service standards) for First Class Package Services will be approximately 3.2 days. If not confirmed, please explain and/or provide the correct number.

RESPONSE:

Confirmed with respect to the average *expected* delivery time.

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SH/USPS-T-1-5. If the Postal Service implements the proposed service standards on October 1, 2021, or sometime soon thereafter, please explain how it will be able to reduce the average delivery time from 3.8 days to 3.2 days, even as it continues to deal with pandemic-related issues.

RESPONSE:

The timeframe to eliminate the extra day added to packages has not been determined.

With respect to the average *expected* delivery time, the difference between the 3.8 days calculated with one-day added and the 3.2 days is simply based on a calculation and does not compare current and expected actual days to deliver under the proposed service standards. With respect to service performance, in addition to the proposed service standard change, several initiatives are in process to improve the process capability of FCPS, including increasing package processing equipment capacity, staffing, and space.

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SH/USPS-T-1-6. Please confirm that under the proposed changes to service standards, for SCF Santa Ana CA 927, the average delivery time (based on volumes and service standards) would increase from approximately 2.88 days to 4.1 days. If not confirmed, please explain and/or provide the correct numbers.

RESPONSE:

Confirmed with respect to the average *expected* delivery time.

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SH/USPS-T-1-7. Please confirm that under the proposed changes to service standards, for SCF Portland OR 970, the average delivery time (based on volumes and service standards) would increase from approximately 2.88 days to 4.03 days. If not confirmed, please explain and/or provide the correct numbers.

RESPONSE:

Confirmed with respect to the average *expected* delivery time.

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SH/USPS-T-1-8. Please confirm that under the proposed changes to service standards, for SCF Seattle WA 981, the average delivery time (based on volumes and service tandards) would increase from approximately 2.79 days to 3.78 days. If not confirmed, please explain and/or provide the correct numbers.

RESPONSE:

Confirmed with respect to the average *expected* delivery time.

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SH/USPS-T-1-9. Please refer to Library Reference USPS-LR-N2021-2_4 - Model Results, 10_3digit_FCPS_Public_REV_7.13.21, tab "All Pairs," column H ("Pharma").

- a. Please confirm that the numbers in column H total approximately 164,560. If not confirmed, please explain and/or provide the correct total.
- b. Please confirm that of this total for column H, under current service standards, 52,350 pieces fall under a two-day standard, and 112,210 pieces fall under a three-day standard. If not confirmed, please explain and/or provide the correct totals.
- c. Please confirm that of this total volume for column H, under the proposed service standards, 74,843 pieces would fall under a two-day standard, 63,064 pieces under a three-day standard, 24,313 pieces under a four-day standard, and 2,341 pieces under a five-day standard. If not confirmed, please explain and/or provide the correct totals.

RESPONSE:

9.a. Confirmed.

9.b. Confirmed.

9.c. Confirmed.

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SH/USPS-T-1-10. Please refer to Library Reference USPS-LR-N2021-2_4 - Model Results, 10_3digit_FCPS_Public_REV_7.13.21, tab "All Pairs."

- a. Please confirm that the numbers in Column H ("Pharma") represent a subset of the numbers in Column G ("Volume").
- b. If confirmed, please explain how, for some origin-destination pairs, the numbers in Column H are greater than the numbers in Column G. (For example, for origin- destination pair 981-531, the volume in Column G is 18.0852 and the volume in Column H is 42.2646.)
- c. If not confirmed, please explain the relationship between Columns G and H.

RESPONSE:

10.a. Confirmed.

10.b. The pharmaceutical volumes were pulled for the entirety of FY 2020 by origin and destination site, not at a 3-digit ZIP level, and a median day selected. To include the pharmaceutical volumes in the 3-digit ZIP file, the volumes were distributed evenly to each 3-digit ZIP within each origin and destination pair. In some cases, this distribution caused an individual 3-digit ZIP's volume to appear greater for pharmaceuticals.

10.c. N/A